

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Lifeline and Link Up Reform and)	WC Docket No. 11-42
Modernization)	
)	
Federal-State Joint Board on Universal)	CC Docket No. 96-45
Service)	
)	
Lifeline and Link Up)	WC Docket No. 03-109

**REPLY COMMENTS OF
TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.**

I. Introduction

Texas Statewide Telephone Cooperative, Inc. (TSTCI) offers these reply comments regarding the proposals to reform and modernize Lifeline/Link Up as described in the Commission's Notice of Proposed Rulemaking (NPRM) released on March 4, 2011.

TSTCI is an association representing 39 small, rural incumbent telephone companies and cooperative in Texas (see Attachment 1). All TSTCI member companies and cooperatives are eligible telecommunications carriers (ETCs) and as such offer Lifeline/Link Up services to eligible customers.

II. Proposals to Eliminate Waste and Fraud Should be Reasonable and Not Overly Burdensome and Expensive to Small ETCs.

The NPRM addresses various reforms to eliminate waste, fraud, and abuse in the Lifeline/Link Up programs, including proposals to remedy duplicate claims when more than one ETC seeks support from USAC for the same subscriber. While TSTCI supports the

Commission's overall goal to prevent waste, fraud, and abuse of these programs, TSTCI is concerned that processes not become unnecessarily burdensome for small ETCs, particularly in states such as Texas that have already established "automatic enrollment" programs that provide low-income discounts for eligible customers through a third-party administrator. TSTCI agrees with the National Telecommunications Cooperative Association (NTCA) that some of the Commission's proposals may be unnecessarily costly for small telecommunications providers.¹

One measure proposed by the Commission to assist in detecting duplicate claims is to require that ETCs provide household-identifying information such as customer names, addresses, social security numbers, birthdates, or other information to USAC on their Form 497. The Commission further proposes that all ETCs would be required to provide data to USAC in a consistent electronic format.

TSTCI is concerned that this proposal might prove to be burdensome for small Texas ETCs that already have an established process for automatic Lifeline enrollment that is administered by Solix, Inc. (Solix). TSTCI is concerned that a requirement to establish still another electronic format to facilitate the exchange of data for Form 497 reporting,² is likely to result in new programming and other administrative expenses, including the training of personnel and the time required to provide the additional data. Currently, TSTCI participates in an automatic enrollment process utilizing a direct data interface as described in the comments by Solix. To help determine the eligibility of Texas consumers, Solix already engages in a

¹ Comments of the NTCA, page 2.

² As described by Solix, Inc. (Solix), eligibility for Lifeline/Link Up service in Texas is managed through a third-party administrator, the Low Income Discount Administrator (LIDA). An automatic enrollment process has also been established for qualified clients who receive public benefits through programs administered by the Texas Health and Human Service Commission (HHSC) and the federal government in collaboration with LIDA and the ETCs. In Texas the automatic enrollment process is accomplished through a direct data interface between Solix, THHS, and the service providers. (See Solix Comments, page 2.)

household matching process using telephone numbers, names, mailing addresses and services addresses, as well as social security numbers if provided.³

If Texas ETCs will be required to provide customer-specific information to USAC, this would unnecessarily complicate the established Lifeline reimbursement process for Texas ETCs. Also, TSTCI agrees with the United States Telecom Association⁴ that disclosing personally identifiable information with the Form 497 is counter to federal privacy statutes like section 222 of the Communications Act, and the Electronic Communications Privacy Act. TSTCI urges the Commission to reject this proposal.

In the event of duplicate claims, the Commission proposes to seek recovery of the duplicate support provided.⁵ First, the Commission asks if USAC should be required to seek recovery from all implicated providers during the period of duplicative service (defined as from the time a duplicate is identified until the time at which it can be demonstrated that the consumer or household is no longer receiving duplicate benefits). The Commission notes, “This approach would create appropriately strong incentives for providers to take measures to ensure that they are not seeking excessive support.”⁶ Alternatively, the NPRM proposes that USAC could seek recovery only from the ETC that is not chosen by the consumer for the period of time over which duplicate Lifeline support was provided. Further, the Commission asks if ETCs should be able to avoid reimbursement obligations if they demonstrate responsible efforts to avoid duplicative funding.

TSTCI agrees with Sprint Nextel that ETCs should not be required to reimburse USAC for duplicate distributions of support, where there have been responsible efforts to avoid

³ Solix’s Comments, page 3.

⁴ Comments of The United States Telecom Association, page 14.

⁵ See NPRM, para. 62.

⁶ Id.

duplicate funding. Sprint explains, “A blanket rule which holds ETCs responsible for recovery of all erroneous Lifeline discounts is inappropriate, as it would penalize the ETC for fraud or errors over which it has no control or knowledge.” As described previously, Lifeline eligibility in Texas is determined by the LIDA. ETCs in Texas are informed monthly by LIDA, through the automatic enrollment process, which of their accounts are to be given Lifeline discounts. Texas ETCs have no way to determine if a Lifeline customer is receiving duplicate discounts, and it is inappropriate that they be penalized by having to seek recovery of funds from the customers that had been deemed eligible by the LIDA.

Finally, TSTCI supports NTCA’s objection to any requirement that small ETCs engage an independent firm to assess compliance with the Lifeline/Link Up requirements, particularly when there has been no evidence of program abuse.⁷ TSTCI agrees with NTCA that this would be an extremely expensive endeavor, not only due to the expense of hiring an auditor but in the time taken to remove employees from their usual responsibilities to assist with the audits. Additional expenses would also be incurred to file the audit reports with the Commission, USAC, and states, as proposed. This would be an unnecessary requirement, and should not be imposed upon small ETCs unless there is some substantial evidence of abuse by specific companies.

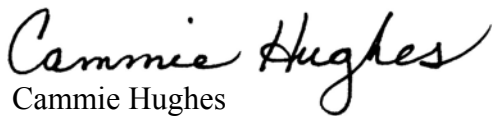
III. Conclusion

TSTCI supports the Commission in its effort to eliminate waste, fraud, and abuse of the Lifeline and Link Up programs. However, TSTCI requests that the Commission refrain from imposing unnecessary requirements upon small Texas ETCs that will be costly and administratively burdensome. TSTCI further contends that the burden of enforcing rules to

⁷ NTCA’s comments, page 5.

prevent duplicative enrollment and other types of fraudulent activities perpetrated by consumers or individual ETCs who seek to take advantage of and exploit the Lifeline and Link Up Programs should not be placed on all ETCs.

Respectfully submitted,

A handwritten signature in black ink that reads "Cammie Hughes". The signature is written in a cursive, flowing style.

Cammie Hughes
Authorized Representative
Texas Statewide Telephone Cooperative, Inc.
May 10, 2011

TEXAS STATEWIDE TELEPHONE COOPERATIVE, INC.

Alenco Communications, Inc.
Big Bend Telephone Company, Inc.
Brazoria Telephone Company
Brazos Telecommunications, Inc.
Brazos Telephone Cooperative, Inc.
Cameron Telephone Company
Cap Rock Telephone Cooperative, Inc.
Central Texas Telephone Cooperative, Inc.
Coleman County Telephone Cooperative, Inc.
Colorado Valley Telephone Cooperative, Inc.
Community Telephone Company, Inc.
Cumby Telephone Cooperative, Inc.
Dell Telephone Cooperative, Inc.
E.N.M.R. Telephone Cooperative, Inc.
Eastex Telephone Cooperative, Inc.
Electra Telephone Company
Etex Telephone Cooperative, Inc.
Five Area Telephone Cooperative, Inc.
Ganado Telephone Company, Inc.
Hill Country Telephone Cooperative, Inc.
Industry Telephone Company, Inc.
La Ward Telephone Exchange, Inc.
Lake Livingston Telephone Company
Lipan Telephone Company, Inc.
Livingston Telephone Company
Mid-Plains Rural Telephone Cooperative, Inc.
Nortex Communications, Inc.
Panhandle Telephone Cooperative, Inc.
Peoples Telephone Cooperative, Inc.
Poka Lambro Telephone Cooperative, Inc.
Riviera Telephone Company, Inc.
Santa Rosa Telephone Cooperative, Inc.
South Plains Telephone Cooperative, Inc.
Tatum Telephone Company
Taylor Telephone Cooperative, Inc.
Wes-Tex Telephone Cooperative, Inc.
West Plains Telecommunications, Inc.
West Texas Rural Tel. Cooperative, Inc.
XIT Rural Telephone Cooperative, Inc.